



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

December 15, 2009

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS:  
HIGH DESERT HEALTH SYSTEM  
MULTI-SERVICE AMBULATORY CARE CENTER PROJECT  
AUTHORIZATION FOR ARCHITECTURAL AGREEMENT, APPROVAL OF  
TWO OPTION AGREEMENTS FOR TRANSFER OF REAL PROPERTY, AND  
ENVIRONMENTAL CONSULTANT AGREEMENT  
SPECS. 6837; C.P. 77350  
(FIFTH DISTRICT) (3 VOTES)**

**SUBJECT**

Approval of an Architect/Engineer (A/E) Agreement for the High Desert Health System Multi-Service Ambulatory Care Center (MACC) Project, approval of two Option Agreements for Transfer of Real Property by and between the Lancaster Redevelopment Agency and the County of Los Angeles (Option Agreements) with the Lancaster Redevelopment Agency (LRA) for the purpose of the new MACC, and other complementary health care related facilities. Also, approval to enter into a delegated authority agreement for environmental review services for the MACC project.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Authorize and delegate authority to the Director of Public Works, after compliance with applicable laws governing contract solicitation and award, to award and execute an Architect/Engineer Agreement with the most qualified firm to complete scoping documents for the High Desert Health System Multi-Service Ambulatory Care Center Project (MACC), in an amount not-to-exceed fee of \$3,900,000.

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First District

MARK RIDLEY-THOMAS  
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Third District

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Fifth District

2. Approve and authorize the Chair to execute two Option Agreements: the first Option Agreement will provide the County with sufficient land to construct the MACC complex on a 14.91 acre parcel (identified as Parcel A in the Option Agreement) at a proposed price (for the land only) of \$894,600, and the second Option Agreement will provide other County healthcare related facilities at some future time on an adjacent 5.98 acre parcel (identified as Parcel B in the Option Agreement) for the proposed price of \$358,800 for the parcel.
3. Direct the Chief Executive Officer to coordinate the development and preparation of an Environmental Impact Report on Parcels A and B as identified in the Option Agreements.
4. Direct the Chief Executive Officer to execute a Consultant Services Agreement with BonTerra Consulting to perform all necessary environmental reviews and prepare an Environmental Impact Report for project-level analysis of the High Desert Health System Multi-Service Ambulatory Care Center, for a not-to-exceed fee of \$281,000.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended actions will allow the County to secure rights to purchase approximately 21 acres from the Lancaster Redevelopment Agency (LRA) located in the immediate vicinity of 3<sup>rd</sup> Street East and Avenue I in the City of Lancaster. This site will be the location of the new High Desert Multi-Service Ambulatory Care Center (MACC). In addition, approval of the recommendations will allow the Department of Public Works (Public Works) to enter into an agreement with an Architect/Engineer (A/E) to prepare project specific/scoping documents for the MACC project, which will serve as the basis for the selection of the Design-Builder for the project, and for the selected architect to provide services during the proposal and design-build phases of the project. Finally, approval of the recommended actions will authorize preparation of an Environmental Impact Report (EIR) for the MACC project.

#### **Option Agreements**

Entering into the two Option Agreements will provide the County with the ability to secure the rights to purchase approximately 21 acres from the LRA, allowing the County to conduct the prerequisite reports and studies to satisfy conditions pertaining to the California Environmental Quality Act (CEQA) and other due diligence activities consisting of an environmental site assessment, geotechnical work, and title review.

The City and the County cooperatively selected the subject property within the City's Piute Neighborhood Revitalization Master Vision Plan for the MACC location, an area into which the City has already invested over \$20 million dollars to revitalize. It is anticipated that, if the Chief Executive Officer (CEO) elects to recommend the exercise of the option(s) to purchase, the CEO will return to your Board for approval to exercise the options upon completion of the required CEQA studies and due diligence activities, with the intent to purchase Parcel A within approximately 12 months from Board approval for the MACC site and purchase Parcel B within approximately 24 months from Board approval, which should provide adequate time to assess the need for other County healthcare related facilities.

The proposed purchase price for the land identified as Parcel A is \$894,600, and Parcel B is \$358,800, plus any other related title and escrow costs, estimated to be less than \$10,000, to consummate both transactions.

The Option Agreements provide for an appropriate phasing process which secures rights to purchase the appraised land at a fixed price for the duration of the option term. The Option Agreements are in compliance with Section 25365 of the California Government Code and have been approved as to form by County Counsel.

#### Architectural/Engineering (A/E) Agreement

On November 21, 2006, your Board authorized Public Works to develop a new 124,000-square-foot MACC complex at a new site in Lancaster, comprised of a 39,000-square-foot ambulatory surgery center, a 38,000-square-foot clinical services building, a central plant, and a 47,000-square-foot administrative support building. Your Board also authorized Public Works to execute an Agreement with Cannon Design for \$1,200,000 to update the facility program, prepare a master site plan for the proposed location, and prepare project definition documents as a basis for a design-build project delivery approach. Public Works has proceeded with the preparation of project documents that serve as the basis for the scoping documents. Public Works has also begun various other preconstruction activities, including topographical survey, soils testing and site-related studies to confirm the suitability of the proposed site.

Following authorization for this project, the Department of Health Services (Health Services), Public Works and Cannon Design completed a needs assessment study and a space/functional program to capture the complete scope of work required to build a MACC that meets the anticipated patient care needs in the Antelope Valley. We have now confirmed the required level of detail and criteria for the project scoping documents. The completed needs assessment study and space/functional program will be used by the County as part of the project scoping documents to be used for the Requests for Proposal (RFP) by prospective Design-Builders. In addition to these two documents, the selected A/E will review and update the needs assessment study based

on new clinical programs mandated for the facility since 2007, and complete schematic design plans and performance specifications to complete the scoping documents package for the RFP. Completing the project scoping documents based on this agreed level of detail and criteria will allow the project team to properly ensure the development of a quality work product that meets County and Health Services standards, and reduce the need for changes by the Design-Builder during the design-build phase. Additionally, to provide quality oversight of the Design-Builder, Public Works proposes that the architect attends periodic design-build meetings, reviews/approves product submittals and conducts site observations during construction.

Cannon Design was requested to provide a proposal for schematic design plans and the performance criteria, but was unable to meet the County's needs with respect to the cost and scope of their proposal. Therefore, the Architectural Evaluation Board has provided a list of architectural firms, and Public Works is beginning the process to select a new architect. To meet the aggressive schedule required to complete the project scoping documents and select the Design-Builder, we recommend that your Board authorize the Director of Public Works, after compliance with applicable laws governing contract solicitation and award, to award and execute an A/E agreement with the most qualified A/E firm to complete the scoping documents and provide design-build oversight services for the project for a not-to-exceed fee of \$3,900,000. The Project Schedule is included in Attachment A.

#### Environmental Agreement

Approval of the recommended actions will authorize the CEO to execute a delegated authority agreement with BonTerra Consulting for the preparation and completion of an EIR for a not-to-exceed fee of \$281,000.

#### **ENVIRONMENTAL DOCUMENTATION**

Neither the award and execution, by the Director of Public Works, of the Architect/Engineer Agreement, nor the execution of the Option Agreements, constitutes a project pursuant to the California Environmental Quality Act (CEQA) because it is an activity that is excluded from the definition of a project by Section 15378(b) of the State CEQA Guidelines. The proposed action is an administrative activity of government which will not result in direct or indirect changes to the environment.

The environmental impacts of the proposed MACC Project will be reviewed as the first phase of the project through the preparation of an Environmental Impact Report (EIR). The EIR will evaluate all potential direct, indirect, and cumulative environmental impacts associated with the MACC project.

The appropriate environmental documents will be completed prior to returning to your Board for approval of any discretionary action that may impact the environment and prior to your consideration of the exercise of the options to purchase Parcel A and Parcel B.

### **Implementation of Strategic Plan Goals**

This action meets the County Strategic Plan Goals of Operational Effectiveness (Goal 1), Children and Families' Well-Being (Goal 2), and Health and Mental Health (Goal 4) by investing in public health infrastructure and improving access to health care in the northern portion of the County. Completion of this project will provide a much needed outpatient health facility for the residents of the County of Los Angeles.

### **FISCAL IMPACT/FINANCING**

The proposed purchase price for the land identified as Parcel A and Parcel B is \$1,253,400, plus any other related title and escrow costs estimated to be less than \$10,000, to consummate both transactions.

The estimated cost to complete the construction of the project is \$119,900,000, including design, jurisdictional review, construction, consultant services, and County services. Included in the estimate for the project, is the not-to-exceed fee of \$281,000 for completion of the EIR. Upon completion of the needs assessment update based on the additional clinic programs, completion of the project scoping documents, and confirmation of construction cost estimates, we will return to your Board for approval of a total project budget.

The property purchase and High Desert Health System MACC Project will be initially funded with commercial paper proceeds and ultimately through the issuance of Build America Bonds which are authorized under the American Reinvestment and Recovery Act.

The Build America Bonds offer Federal reimbursement of 35 percent of the interest costs on the bonds. The par amount of each bond type to be issued will be based on market conditions and discussions with the Treasurer and Tax Collector.

Funding for the recommended agreements with the selected architectural firm and BonTerra Consulting is included in the Fiscal Year 2009-10 Capital Projects/Refurbishments Budget (C.P. 77350).

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

As required by your Board, the project budget allocates one percent of the construction costs to the Civic Art Fund per your Board's Civic Art Policy, adopted on December 7, 2004, and subsequently amended on November 18, 2008.

The A/E Agreement will be in the form previously reviewed and approved as to form by County Counsel. The recommended contract will be solicited on a competitive basis and is in accordance with applicable Federal, State, and County requirements.

The proposed A/E Agreement will contain terms and conditions supporting your Board's ordinances, policies, and programs, including but not limited to: County's Greater Avenues for Independence and General Relief Opportunities for Work Programs (GAIN/GROW), Board Policy No. 5.050; Contract Language to Assist in Placement of Displaced County Workers, Board Policy No. 5.110; Reporting of Improper Solicitations, Board Policy No. 5.060; Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law), Board Policy No. 5.135; Contractor Employee Jury Service Program, Los Angeles County Code, Chapter 2.203; Notice to Employees Regarding the Federal Earned Income Credit (Federal Income Tax Law, Internal Revenue Service Notice 1015); Contractor Responsibility and Debarment, Los Angeles County Code, Chapter 2.202; and the Los Angeles County's Child Support Compliance Program, Los Angeles County Code, Chapter 2.200; and the standard Board-directed clauses that provide for contract termination or renegotiation.

## **CONTRACTING PROCESS**

The Architectural Evaluation Board has provided a list of firms qualified to propose for services associated with the requested scope of services for the project. The proposals will be evaluated by an evaluation committee consisting of representatives from the Chief Executive Office, Health Services, and Public Works.

The evaluation committee will score the proposing firms on the basis of their relative qualifications to perform the subject scope of services. The firm will be selected based on the overall quality and responsiveness of the proposal, competency, health facility design services expertise, experience, qualifications of proposed staff, and project-specific work plans. We are recommending that your Board authorize the Director of Public Works to execute an agreement to the firm that is determined to be the most highly qualified to complete the services requested for project.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of these recommendations will have no impact on current services. Upon completion of the MACC, we anticipate that the existing site will be vacated by Health Services. At this time, we have not identified a specific use for the existing site. However, we will be reviewing other potential uses by other County departments in the Antelope Valley area.

**CONCLUSION**

Upon approval of the recommendations, please forward one adopted copy of the Board letter to Public Works and the CEO, Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:GF:SK  
DJT:SW:zu

Attachment

- c: Executive Officer, Board of Supervisors
- Acting County Counsel
- Department of Health Services
- Department of Public Social Services (GAIN/GROW Program)
- Department of Public Works

**ENCLOSURE A**

**DEPARTMENT OF PUBLIC WORKS:  
HIGH DESERT HEALTH SYSTEM  
MULTI-SERVICE AMBULATORY CARE CENTER PROJECT  
APPROVE SUPPLEMENTAL AGREEMENT  
SPECS. 6837; C.P. 77350  
(FIFTH DISTRICT) (3 VOTES)**

**I. PROJECT SCHEDULE**

<b>Project Activity</b>	<b>Approved Completion Dates</b>	<b>Revised Completion Dates</b>
Project Scoping Documents	04/2008	09/2010
Award Design-Build Contract	05/2009	03/2011
Design	05/2010	By Design-Builder
Jurisdictional Approval	07/2010	By Design-Builder
Construction Substantial Completion	09/2011	10/2013
Acceptance of Project	12/2011	12/2013